

TOWNSHIP OF MOSCOW
HILLSDALE COUNTY

AUDIT REPORT

MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <u>Township of Moscow</u>	County <u>Hillsdale</u>
Audit Date <u>3/31/04</u>	Opinion Date <u>7/29/04</u>	Date Accountant Report Submitted to State: <u>8/13/04</u>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) <u>Bailey Hodshire & Company, P.C.</u>			
Street Address <u>479 E Chicago Rd</u>	City <u>Jonesville</u>	State <u>Mi</u>	ZIP <u>49250</u>
Accountant Signature <u>Bailey, Hodshire & Company, P.C.</u>			

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INDEPENDENT AUDITOR'S REPORT

To the Supervisor and
Members of the Township Board
Township of Moscow
Moscow, Michigan

We have audited the accompanying general purpose financial statements of the Township of Moscow as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The scope of our examination did not include verification of the fund balances at March 31, 2003. Therefore, we are unable to express an opinion on the accompanying statements of revenues, expenditures and changes in fund balances. The Township has not maintained a record of its general fixed assets, and accordingly, a statement of general fixed assets required by generally accepted accounting principles is not included in the financial statements.

In our opinion, except for the effect on the financial statements of the items referred to in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Moscow, as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Moscow. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Bailey, Hodshire + Company, P.C.
Jonesville, Michigan
July 29, 2004

TOWNSHIP OF MOSCOW
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>		Totals
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Current Tax Collection</u>	<u>Lyons Cemetery Fund</u>	<u>(Memorandum Only)</u>
ASSETS					
Cash and Investments	\$ 42,676	\$ 7,262	\$ 41	\$ 1,000	\$ 50,979
Taxes Receivable	4,433	0	0	0	4,433
Due from Other Funds	<u>41</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>41</u>
Total Assets	<u>\$ 47,150</u>	<u>\$ 7,262</u>	<u>\$ 41</u>	<u>\$ 1,000</u>	<u>\$ 55,453</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Due to Other Funds	\$ 0	\$ 0	\$ 41	\$ 0	\$ 41
Due to Other Govs.	<u>9,474</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,474</u>
Total Liabilities	<u>\$ 9,474</u>	<u>\$ 0</u>	<u>\$ 41</u>	<u>\$ 0</u>	<u>\$ 9,515</u>
FUND EQUITY					
Unreserved					
Undesignated	\$ 21,564	\$ 7,262	\$ 0	\$ 1,000	\$ 29,826
Designated-Fire Equip	<u>16,112</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,112</u>
Total Fund Equity	<u>\$ 37,676</u>	<u>\$ 7,262</u>	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 45,938</u>
Total Liabilities and Fund Equity	<u>\$ 47,150</u>	<u>\$ 7,262</u>	<u>\$ 41</u>	<u>\$ 1,000</u>	<u>\$ 55,453</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF MOSCOW
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	General	Special Revenue	Totals (Memorandum Only)
REVENUE			
Taxes	\$ 29,599	\$ 0	\$ 29,599
Licenses and Permits	2,260	0	2,260
State Shared Revenue	100,666	0	100,666
Charges for Services	14,820	0	14,820
Interest Earned	912	53	965
Reimbursements	7,671	0	7,671
Miscellaneous Revenue	<u>1,935</u>	<u>0</u>	<u>1,935</u>
Total Revenue	<u>\$ 157,863</u>	<u>\$ 53</u>	<u>\$ 157,916</u>
EXPENDITURES			
General Government	\$ 80,524	\$ 0	\$ 80,524
Public Safety	55,167	0	55,167
Public Works	34,320	0	34,320
Recreation and Culture	<u>12,474</u>	<u>205</u>	<u>12,679</u>
Total Expenditures	<u>\$ 182,485</u>	<u>\$ 205</u>	<u>\$ 182,690</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>\$ (24,622)</u>	<u>\$ (152)</u>	<u>\$ (24,774)</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers - In	\$ 0	\$ 2,000	\$ 2,000
Operating Transfers - Out	<u>(2,000)</u>	<u>0</u>	<u>(2,000)</u>
Total Other Financing Sources (Uses)	<u>\$ (2,000)</u>	<u>\$ 2,000</u>	<u>\$ 0</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (26,622)</u>	<u>\$ 1,848</u>	<u>\$ (24,774)</u>
FUND BALANCES - APRIL 1, 2003	<u>64,298</u>	<u>5,414</u>	<u>69,712</u>
FUND BALANCES - MARCH 31, 2004	<u>\$ 37,676</u>	<u>\$ 7,262</u>	<u>\$ 44,938</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF MOSCOW
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	Budget	Actual	Over (Under) Budget
REVENUE			
Taxes	\$ 24,300	\$ 29,599	\$ 5,299
Licenses and Permits	1,800	2,260	460
State Shared Revenue	90,600	100,666	10,066
Charges for Services	11,100	14,820	3,720
Interest Earned	850	912	62
Reimbursements	5,000	7,671	2,671
Miscellaneous Revenue	<u>10</u>	<u>1,935</u>	<u>1,925</u>
Total Revenues	<u>\$ 133,660</u>	<u>\$ 157,863</u>	<u>\$ 24,203</u>
EXPENDITURES			
General Government	\$ 93,530	\$ 80,524	\$ (13,006)
Public Safety	60,541	55,167	(5,374)
Public Works	28,752	28,406	(346)
Sanitation	6,011	5,914	(97)
Parks and Recreation	3,000	12,474	9,474
Contingency	<u>5,432</u>	<u>0</u>	<u>(5,432)</u>
Total Expenditures	<u>\$ 197,266</u>	<u>\$ 182,485</u>	<u>\$ (14,781)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>\$ (63,606)</u>	<u>\$ (24,622)</u>	<u>\$ 38,984</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers - In	\$ 0	\$ 0	\$ 0
Operating Transfers - Out	<u>(2,000)</u>	<u>(2,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>\$ (2,000)</u>	<u>\$ (2,000)</u>	<u>\$ 0</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (65,606)</u>	<u>\$ (26,622)</u>	<u>\$ 38,984</u>
FUND BALANCES - APRIL 1, 2003	<u>65,606</u>	<u>64,298</u>	<u>(1,308)</u>
FUND BALANCES - MARCH 31, 2004	<u>\$ 0</u>	<u>\$ 37,676</u>	<u>\$ 37,676</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF MOSCOW
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004 (continued)

SPECIAL REVENUE FUND			TOTAL (MEMO ONLY)		
Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
\$ 0	\$ 0	\$ 0	\$ 24,300	\$ 29,599	\$ 5,299
0	0	0	1,800	2,260	460
0	0	0	90,600	100,666	10,066
0	0	0	11,100	14,820	3,720
100	53	(47)	950	965	15
0	0	0	5,000	7,671	2,671
<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>1,935</u>	<u>1,925</u>
\$ 100	\$ 53	\$ (47)	\$ 133,760	\$ 157,916	\$ 24,156
\$ 0	\$ 0	\$ 0	\$ 93,530	\$ 80,524	\$ (13,006)
0	0	0	60,541	55,167	(5,374)
0	0	0	28,752	28,406	(346)
0	0	0	6,011	5,914	(97)
7,514	205	(7,309)	10,514	12,679	2,165
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,432</u>	<u>0</u>	<u>(5,432)</u>
\$ 7,514	\$ 205	\$ (7,309)	\$ 204,780	\$ 182,690	\$ (22,090)
\$ (7,414)	\$ (152)	\$ 7,262	\$ (71,020)	\$ (24,774)	\$ 46,246
\$ 2,000	\$ 2,000	\$ 0	\$ 2,000	\$ 2,000	\$ 0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>0</u>
\$ 2,000	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0
\$ (5,414)	\$ 1,848	\$ 7,262	\$ (71,020)	\$ (24,774)	\$ 46,246
<u>5,414</u>	<u>5,414</u>	<u>0</u>	<u>71,020</u>	<u>69,712</u>	<u>(1,308)</u>
\$ 0	\$ 7,262	\$ 7,262	\$ 0	\$ 44,938	\$ 44,938

The accompanying notes are an integral part of this statement.

TOWNSHIP OF MOSCOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Township of Moscow is located in Hillsdale County, Michigan, with a population of approximately 1,353 and a 2003 taxable valuation of approximately \$33,432,000. It is governed by a board consisting of 5 members with a supervisor as its head. As required by generally accepted accounting principles, these financial statements present all fund types and account groups that are controlled by or dependent on the Township Board of Trustees.

Basis of Presentation

The accounts of the Township are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The various funds and account groups of the Township of Moscow are as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Total columns on the combined statements are captioned "memo only" to indicate that they are presented only to aid in financial analysis. Interfund eliminations have not been made in the aggregation of this data; therefore it is not comparable to a consolidation.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types are presented using the flow of current financial resources measurement focus. With this measurement focus, operating statements present increases and decreases in net current assets, and unreserved fund balance is a measure of available spendable resources.

The governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough

TOWNSHIP OF MOSCOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

thereafter to pay liabilities of the current period. The Township considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

Property taxes, State revenue sharing, and interest are susceptible to accrual. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Other receipts become measurable and available when cash is received by the Township and are recognized as revenue at that time.

Budgetary Data

The Township adopted budgets for the General Fund and Special Revenue Fund on the modified accrual basis. Once approved, the Township Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Encumbrance accounting is not used, and all annual appropriations lapse at fiscal year-end. The amended budgets are presented in the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Assets, Liabilities, and Fund Equity

Cash and investments are reported at cost.

The Township has not maintained a record of general fixed assets, and, accordingly, a statement of general fixed assets required by generally accepted accounting principles is not included in the report. Infrastructure (public domain) assets, including roads, bridges, sanitary sewers, drains, curbs, and gutters, are not capitalized.

Revenue and Expenditures

Property tax revenue is normally recognized in the amount for which taxes have been levied.

2. NONCOMPLIANCE WITH STATE BUDGETING LAWS

The following item in the General Fund had expenditures in excess of budgeted amount, which is a violation of State law:

	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Park and Recreation	\$ 3,000	\$ 12,474	\$ 9,474

This was the result of the completion of the North Adams Area Recreation project - - a joint undertaking of several governmental units in the North Adams area. The final cost of the project was \$209,349. A state grant of \$88,088 was received, and Moscow Township is responsible for 13.3% of the remaining \$121,261 balance. As of 3/31/04, \$6,654 had been paid by Moscow Township, leaving a balance due of \$9,474. This amount is reflected as a liability on the General Fund balance sheet.

TOWNSHIP OF MOSCOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

3. CASH AND INVESTMENTS

Following are the components of the Township's bank deposits at March 31, 2004:

Checking Accounts	\$ 33,867
Certificate of Deposit	<u>17,112</u>
Total	<u>\$ 50,979</u>

The carrying amount of the Township's bank deposits was \$50,979 and the bank balance was \$64,011 at March 31, 2004. The entire bank balance of \$64,011 was covered by federal depository insurance.

State statutes authorize the Township to invest funds in one or more of the following: (a) bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States; (b) certificates of deposit, savings accounts, deposit accounts, or depository receipts of a Federally insured financial institution which maintains a principal office or branch office in the state of Michigan; (c) commercial paper rated within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase; (d) United States government or Federal agency obligation repurchase agreements; (e) banker's acceptance of United States banks; (f) obligations of the state of Michigan or any of its political subdivisions that are rated as investment grade by not less than one standard rating service; (g) mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles which are legal for investment by a public corporation; (h) obligations described above if purchased through an interlocal agreement under the Urban Cooperations Act of 1967; (i) investment pools organized under the Surplus Funds Investment Pool Act, 1982; (j) investment pools organized under the Local Government Investment Pool Act, 1985. As of March 31, 2004, the Township's investments are in accordance with statutory authority.

4. PROPERTY TAXES

Real estate and personal property taxes are recorded as revenue in an amount equal to the total taxes levied. There are no provisions made for possible uncollectible taxes. The total levy for 2003 was .8908 mills all allocated to the General Fund. The Township properties are assessed as of December 31 (the lien date), taxes levied December 1 of the succeeding year and due without interest to March 1. After March 1, the delinquent taxes real portion are turned over to the County Treasurer for collection. The personal properties continue to be collectible by the Township Treasurer.

5. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payables balances as of March 31, 2004 are as follows:

<u>Fund</u>	<u>Interfund</u> <u>Receivable</u>	<u>Fund</u>	<u>Interfund</u> <u>Payable</u>
General	<u>\$ 41</u>	Current Tax	<u>\$ 41</u>

TOWNSHIP OF MOSCOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

6. UNEMPLOYMENT TAXES

The Township is a reimbursing employer to the Michigan Unemployment Insurance Agency and as such is responsible to pay the Agency for those benefits paid and charged to its account. As of March 31, appropriate liabilities have been recorded for all claims paid by the Agency. However, no provision has been made for future payments that might result from claims in process or unfilled.

7. LONG-TERM DEBT

The Township was liable to Kansas State Bank on a lease/purchase agreement issued in connection with the purchase of 10 Scott SCBA's (air paks) for the fire department. Baystone Financial Group is the exclusive originator, marketing agent and selling agent for Kansas State Bank of Manhattan, Kansas. Baystone is an affiliate of the Bank under Federal Banking Laws. Kansas State Bank underwrites and funds municipal lease transactions. A summary of changes in long-term debt for the year ended March 31, 2004 follows:

<u>Lease/ Purchase</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Annual Payment</u>	<u>Balance 4/1/03</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 3/31/04</u>
\$ 22,905	5/31/03	7.539%	\$ 5,270	\$ 4,900	\$ 0	\$ 4,900	\$ 0

8. RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. The Township has purchased commercial insurance for claims relating to general liability, excess liability, auto liability, errors and omissions, physical damage (equipment, buildings and contents), workers compensation, and other appropriate coverages. There has been no significant reduction in insurance coverages and settled claims have not exceeded the amount of insurance coverage in any of the past 3 years.

9. DESIGNATED FUND BALANCE

Designations of equity are used to show the amounts within unreserved equity which are intended to be used for specific purposes, but are not legally restricted. Designated equity is intended for the following purpose:

<u>Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Provide funding for purchase of a fire truck	\$ 16,112

10. COMMITMENTS

The Township contributed \$3,000 in the year ended March 31, 2004, to the North Adams Recreational Park Project. The Township has agreed to future contributions as follows:

<u>Year Ended</u>	<u>Amount</u>
3/31/05	\$ 3,000
3/31/06	3,000
3/31/07	3,000
3/31/08	<u>474</u>
Total	<u>\$ 9,474</u>

TOWNSHIP OF MOSCOW
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
GENERAL GOVERNMENT			
Township Board			
Trustees - Salaries	\$ 3,000	\$ 3,000	\$ 0
Office Supplies	1,000	361	(639)
Professional Services	1,500	590	(910)
Insurance and Bonds	9,471	9,471	0
Dues and Fees	1,000	863	(137)
Community Promotions	200	0	(200)
Community Services	1,100	1,100	0
Printing and Publishing	147	147	0
Training and Education	400	0	(400)
Capital Outlay	482	0	(482)
Payroll Taxes	<u>3,500</u>	<u>2,678</u>	<u>(822)</u>
Total Township Board	<u>\$ 21,800</u>	<u>\$ 18,210</u>	<u>\$ (3,590)</u>
Township Supervisor			
Salary	\$ 6,024	\$ 6,024	\$ 0
Salary - Deputy Supervisor	100	48	(52)
Office Supplies	62	9	(53)
Training & Education	300	0	(300)
Dues and Fees	26	0	(26)
Printing and Publishing	<u>88</u>	<u>88</u>	<u>0</u>
Total Township Supervisor	<u>\$ 6,600</u>	<u>\$ 6,169</u>	<u>\$ (431)</u>
Township Assessor			
Office Supplies	\$ 1,089	\$ 1,089	\$ 0
Printing & Publishing	50	0	(50)
Dues and Fees	1,000	775	(225)
Tax Roll Statement	1,510	1,510	0
Training & Education	50	0	(50)
Professional Service	<u>9,801</u>	<u>9,492</u>	<u>(309)</u>
Total Township Assessor	<u>\$ 13,500</u>	<u>\$ 12,866</u>	<u>\$ (634)</u>
Township Clerk			
Salary	\$ 8,500	\$ 8,500	\$ 0
Salary - Deputy Clerk	400	48	(352)
Office Supplies	500	203	(297)
Printing and Publishing	50	0	(50)
Training and Education	<u>100</u>	<u>0</u>	<u>(100)</u>
Total Clerk	<u>\$ 9,550</u>	<u>\$ 8,751</u>	<u>\$ (799)</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF MOSCOW
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
GENERAL FUND (continued)
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
GENERAL GOVERNMENT (continued)			
Board of Review			
Per Diem and Fees	\$ 580	\$ 405	\$ (175)
Training and Education	<u>20</u>	<u>20</u>	<u>0</u>
Total Board of Review	<u>\$ 600</u>	<u>\$ 425</u>	<u>\$ (175)</u>
Treasurer			
Salary	\$ 10,000	\$ 10,000	\$ 0
Salary - Deputy Treasurer	544	544	0
Office Supplies	1,000	763	(237)
Printing and Publishing	51	51	0
Dues and Fees	750	629	(121)
Training and Education	1,200	0	(1,200)
Tax Roll Statements	1,800	1,510	(290)
Office Equipment	<u>405</u>	<u>80</u>	<u>(325)</u>
Total Treasurer	<u>\$ 15,750</u>	<u>\$ 13,577</u>	<u>\$ (2,173)</u>
Elections			
Equipment	<u>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ (1,000)</u>
Buildings and Grounds			
Salary	\$ 250	\$ 0	\$ (250)
Telephone and Fax	1,413	1,413	0
Electric	613	613	0
Heat	875	875	0
Repairs and Maintenance - Building	1,668	1,451	(217)
Repairs and Maintenance - Other	1,000	723	(277)
Improvements	<u>2,275</u>	<u>2,275</u>	<u>0</u>
Total Buildings and Grounds	<u>\$ 8,094</u>	<u>\$ 7,350</u>	<u>\$ (744)</u>
Cemeteries			
Salary - Grave Openings - Sexton	\$ 2,000	\$ 1,900	\$ (100)
Salary - Deputy	750	30	(720)
Operational Supplies	216	216	0
Professional Services	9,500	9,500	0
Insurance and Bonds	50	0	(50)
Printing and Publishing	50	0	(50)
Repairs and Maintenance	1,600	650	(950)
Flags and Holders	650	180	(470)
Construction and Improvements	1,636	700	(936)
Miscellaneous	<u>184</u>	<u>0</u>	<u>(184)</u>
Total Cemeteries	<u>\$ 16,636</u>	<u>\$ 13,176</u>	<u>\$ (3,460)</u>
Total General Government	<u>\$ 93,530</u>	<u>\$ 80,524</u>	<u>\$ (13,006)</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF MOSCOW
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
GENERAL FUND (continued)
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
PUBLIC SAFETY			
Fire Department			
Salary - Chief	\$ 1,250	\$ 1,250	\$ 0
Salary - Assistant Chief	1,400	1,400	0
Salaries - Officers	519	500	(19)
Salaries - Personnel	10,513	10,513	0
Office Supplies	89	80	(9)
Operational Supplies	1,460	1,460	0
Medical Supplies	824	824	0
Insurance and Bonds	7,758	7,758	(116)
Electric	1,250	1,134	0
Heat	3,833	3,833	0
Telephone	1,000	1,000	0
Community Services	471	471	0
Repairs and Maintenance - Equipment	6,246	6,246	0
Repairs and Maintenance - Building	1,810	1,810	0
Repairs and Maintenance - Radios	890	698	(192)
Training and Education	2,854	2,854	0
Dues, Fees, Rentals	100	75	(25)
Building Improvements	291	278	(13)
Equipment	<u>17,983</u>	<u>12,983</u>	<u>(5,000)</u>
Total Public Safety	<u>\$ 60,541</u>	<u>\$ 55,167</u>	<u>\$ (5,374)</u>
PUBLIC WORKS			
Street Lights	<u>\$ 1,500</u>	<u>\$ 1,255</u>	<u>\$ (245)</u>
Roads			
Maintenance	\$ 7,687	\$ 7,586	\$ (101)
Dust Control	<u>19,565</u>	<u>19,565</u>	<u>0</u>
Total Roads	<u>\$ 27,252</u>	<u>\$ 27,151</u>	<u>\$ (101)</u>
Sanitary Landfill			
Salary	\$ 1,387	\$ 1,360	\$ (27)
Insurance and Bonds	50	0	(50)
Printing and Publishing	141	141	0
Electricity	113	113	0
Trash Pick-up	4,300	4,300	0
Equipment	<u>20</u>	<u>0</u>	<u>(20)</u>
Total Sanitation	<u>\$ 6,011</u>	<u>\$ 5,914</u>	<u>\$ (97)</u>
Total Public Works	<u>\$ 34,763</u>	<u>\$ 34,320</u>	<u>\$ (443)</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF MOSCOW
 STATEMENT OF EXPENDITURES COMPARED TO BUDGET
 GENERAL FUND (continued)
 FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
RECREATION AND CULTURE			
North Adams Area Recreation	\$ <u>3,000</u>	\$ <u>12,474</u>	\$ <u>9,474</u>
CONTINGENCY	\$ <u>5,432</u>	\$ <u>0</u>	\$ <u>(5,432)</u>
TOTAL EXPENDITURES	<u>\$ 197,266</u>	<u>\$ 182,485</u>	<u>\$ (14,781)</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF MOSCOW
BALANCE SHEET
PARK AND RECREATION FUND
MARCH 31, 2004

ASSETS

Current Assets	
Cash - Checking	\$ 7,262
Total Assets	<u>\$ 7,262</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$ 7,262</u>
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TOWNSHIP OF MOSCOW
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK AND RECREATION FUND
FOR THE YEAR ENDED MARCH 31, 2004

	Budget	Actual	Over (Under) Budget
REVENUE			
Interest Earned	\$ 100	\$ 53	\$ (47)
Total Revenue	<u>\$ 100</u>	<u>\$ 53</u>	<u>\$ (47)</u>
EXPENDITURES			
Professional Services	\$ 50	\$ 0	\$ (50)
Repairs and Maintenance	1,350	32	(1,318)
Capital Outlay	173	173	0
Other - Payroll Tax	50	0	(50)
Improvements	<u>5,891</u>	<u>0</u>	<u>(5,891)</u>
Total Expenditures	<u>\$ 7,514</u>	<u>\$ 205</u>	<u>\$ (7,309)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ (7,414)	\$ (152)	\$ 7,262
OTHER FINANCING SOURCES			
Operating Transfers - In	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 0</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (5,414)	\$ 1,848	\$ 7,262
FUND BALANCE - April 1, 2003	<u>5,414</u>	<u>5,414</u>	<u>0</u>
FUND BALANCE - March 31, 2004	<u>\$ 0</u>	<u>\$ 7,262</u>	<u>\$ 7,262</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF MOSCOW
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CURRENT TAX COLLECTION FUND
FOR THE YEAR ENDED MARCH 31, 2004

	Balance <u>April 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>March 31, 2004</u>
ASSETS				
Cash - Checking	\$ 279	\$ 734,643	\$ 734,881	\$ 41
LIABILITIES				
Due to Other Funds	\$ 279	\$ 37,024	\$ 37,262	\$ 41
Due to County	0	327,821	327,821	0
Due to Schools	0	369,798	369,798	0
	\$ 279	\$ 734,643	\$ 734,881	\$ 41

The accompanying notes are an integral part of this statement.

Bailey, Hodshire
& Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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July 29, 2004

To the Supervisor and
Members of the Township Board
Township of Moscow
Moscow, Michigan

In connection with our audit of the Township of Moscow for the year ended March 31, 2004, we would like to make the following comments and recommendations:

1. As noted during our last audit, a formal capitalization policy should be adopted by the Township Board. A set dollar amount should be determined, and only those capital outlay expenditures over this limit should be coded to the respective capital outlay accounts. Repair and Maintenance items should not be coded to these accounts. The Township should only include expenditures of fixed assets that have a useful life of more than one year as Capital Outlay.
2. In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments (Statement). Certain of the significant changes in the Statement include the following:

For the first time the financial statements will include:

A Management Discussion and Analysis (MD&A) section providing and Analysis of the Township's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the township's activities, including reporting infrastructure assets (roads, bridges, etc.).

The general provisions of GASB No. 34 apply to Moscow Township for the fiscal year ending March 31, 2005; however, that is a "non-audit" year, so the requirements should be implemented in the following year.

If we can be of assistance regarding these recommendations, please contact our office.

Respectfully,

Bailey, Hodshire + Company, P.C.

Bailey, Hodshire & Company, P.C.
Certified Public Accountants